15th May 1954]

Classification of the shares of the Madras Industrial Investment Corporation, Limited, as Trustee Securities.

* 829 *Q.*—SRI T. ANANTA PAI : Will the Hon. the Minister for Agriculture be pleased to state why the shares of the Madras Industrial Investment Corporation, Limited, have not yet been classified as Trustee Securities under the Indian Trusts Act, 1882?

THE HON. SRI M. BHAKTAVATSALAM :—" The Union Government did not accept this Government's recommendation to declare the shares of the Madras Industrial Investment Corporation, Limited, as Trustee Securities under the Indian Trusts Act, 1882, on the score that the shares have not been fully and unconditionally guaranteed by this Government and that there was fundamental objection to securities which were not readily absorber by the market, being classed as Trustee Securities."

SRI T. ANANTA PAI :—" When these shares were issued, the then Chief Minister of the State gave a personal assurance to the buyers of these shares that they would be treated as Trustee Securities, and most of the financial institutions in the State like banks and insurance companies invested their money on these shares on the strength of that assurance. In view of this, will this Government make a representation again to the Government of India to see that these shares are classified as Trustee Securities by guaranteeing them fully, if necessary? "

THE HON. SRI M. BHAKTAVATSALAM :—" The then Chief Minister might have liked to do it and even given an assurance. But the Government of India do not agree to that on a question of principle. There is the fundamental objection to securities which are not readily absorbed by the market being classified as Trustee Securities and this objection is raised in the interests of trusts."

Appointment of a Port Committee at Mangalore.

* 830 *Q.*—SRI K. ISHWARA : Will the Hon. the Minister for Public Works be pleased to state—

(*a*) whether it is a fact that the Government are contemplating the appointment of a Port Committee at Mangalore;

(*b*) if so, what is the strength of the Committee;

(*c*) the name of the person chosen as the Chairman of the Committee; and

(*d*) whether the Government have called for any application from the public of Mangalore for appointment to this Committee?

THE HON. RAJA SRI SHANMUGA RAJESWARA SETHUPATHI :—" (*a*) It is presumed that the Member refers to the Port Trust Board to be constituted at Mangalore shortly under the Mangalore Port Trust Act, 1953. If so, the answer to the question is in the affirmative.